

A TRIBUTE TO BOOKER T.
WASHINGTON HIGH SCHOOL

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 2003

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, today I ask my colleagues to join me in honoring an educational success story within the Dallas Independent School District. The Booker T. Washington High School was built in 1922 as the first African American high school in Dallas. For the past 81 years, Booker T. Washington High School has provided hundreds of central city youngsters with an academic foundation that has allowed them to reach their potential.

The school's story began in 1922 with the dream of an African-American-owned school emphasizing the basics through creative instructional programs, coupled with a strong multicultural development. The school's success story can be attributed to incredible commitment on the part of the school's parents, administrators, and teachers because of their love for kids and crafts.

The Booker T. Washington High School, after gallery space and studios were added in 1976, was designated as the arts "magnet" high school. Since its inception, Booker T. Washington High School has received national acclaim as a prototype for subsequent magnet schools throughout the United States and Canada.

The Booker T. Washington High School community has pulled together for the children of Dallas's central city. The school currently serves over 700 students from 66 different zip codes in grades 9 through 12. All students are selected through auditions, interviews, portfolios, or other demonstration of artistic and academic aptitudes.

Booker T. Washington High School students distinguish themselves by receiving a variety of prestigious awards and honors including thirteen Presidential Scholar Awards—the nation's highest accolade for excellence in arts and academics.

On average, 163 graduating seniors boast \$5 million in college scholarship offers both in arts and academic majors. Noted graduates include Grammy winners such as R & B vocalist Erykah Badu, jazz trumpeter Roy Hargrove, singer Norah Jones, dancer Jay Franke, cellist John Koen, visual artists Christian Schumann and Chris Arnold, drummer Aaron Comess, Edie Brickell of the New Bohemians, and members of the gospel group God's Property.

Booker T. Washington High School, a pride of our community, has been a success story because of its distinguished faculty. The instructional staff consists of 60 full time teachers and 24 part-time teachers and consultants. Approximately 83 percent of the faculty has advance degrees and 88 percent have more than 10 years of teaching experience.

Booker T. Washington High School is a national model for educational quality, innovation, and commitment in the face of adversity. I ask my colleagues to join me in recognizing this fine institution.

INTRODUCING THE ENDING THE
DOUBLE STANDARD FOR STOCK
OPTIONS ACT

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 2003

Mr. STARK. Mr. Speaker, I rise today to re-introduce legislation to require accuracy in the way corporations report profits and account for stock options on their Security and Exchange Commission (SEC) earnings reports. I'm pleased to be joined by Representatives EARL POMEROY, HENRY WAXMAN, GEORGE MILLER, JOHN OLVER, JAN SCHAKOWSKY, BERNIE SANDERS, BILL LIPINSKI, and RAUL GRIJALVA in introducing this important bill. Senators LEVIN and MCCAIN recently introduced companion legislation in the Senate.

Under current law, companies can deduct stock option expenses from their income taxes as a cost of doing business, just like they deduct employee wages. However, companies are not required to similarly report stock option expenses on their SEC financial statements to stockholders. Therefore, SEC reports don't accurately reflect a company's actual earnings because there is an outstanding compensation liability that is not accounted for in the earnings statement. This misleads employees and investors on the financial standing of their investment.

My bill, Ending the Double Standard for Stock Options Act, would help institute accuracy in the reporting of corporate profits. It would require corporations to report stock options as expenses on their SEC earnings statements in order to receive a tax deduction for stock option compensation on the IRS income statement.

Last year, employees and investors faced an onslaught of accounting scandals that led to bankrupt corporations, diminished pension funds and mass lay-offs. While Congress addressed many of the accounting problems that led to the deluge of scandals, the treatment of stock option expensing has not been addressed. Without this reform, corporations will continue to mislead investors on the real value of their investments and undermine the integrity of the market.

The Financial Accounting Standards Board or FASB is the self-regulated accounting board that oversees SEC reporting. FASB recommends that companies record stock options as an expense on their SEC financial earnings statement, but does not require that stock options be treated as an earnings expense. In fact, stock options are the only form of compensation not treated as an earnings expense at any time. FASB is currently rethinking this standard due to pressure from investors and its international counterpart, the International Accounting Standards Board or IASB.

At the end of this year, IASB will issue new accounting standards requiring companies to expense stock options. The FASB is expected to announce in the next month whether it too will issue new stock option accounting standards similar to those of IASB.

It is my hope that FASB will come out with a decision to require expensing of stock options. But as we've seen in the past, political and corporate pressure may dissuade FASB from providing more transparency to earnings report requirements. I hope the introduction of

this bill will help encourage FASB to do the right thing and require companies to account for stock options. However, if they succumb to industry pressure, Congress should enact this bill and fix the problem once and for all.

Prior to last year's scandals, nearly all companies relegated their stock option expenses to merely a footnote in their SEC report. Yet, these expenses were not reflected in their bottom line earnings. Since last year's scandals, many more companies have responded to investors' demands that stock options be expensed in earnings reports. Over 120 companies, including Amazon.com, Coca-Cola, and General Motors, have announced that they will voluntarily expense stock options on their SEC earnings reports in 2003. They should be commended. Nonetheless, many other companies have claimed that they will not expense stock options until forced to do so.

Again, Congress took important steps last year to address statutory flaws relating to corporate governance and the accounting industry. My legislation, "Ending the Double Standard for Stock Options" is another needed step to help prevent companies from misrepresenting their value to their investors and employees. I urge my colleagues from both sides of the aisle to join me in supporting the efforts of the IASB. Congress ought to heed the call of investors and ordinary Americans to ensure accurate reporting of profits and stock options expensing. I hope my colleagues will join me in passing this bill this year.

PAYING TRIBUTE TO MR. DALTON
PAUL

HON. BILL SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 5, 2003

Mr. SHUSTER. Mr. Speaker, I rise today to recognize the outstanding career of Mr. Dalton Paul, a very special individual from my district. Mr. Paul has been a resident of Chambersburg, Pennsylvania for more than 37 years. During that time he has dedicated himself to the noble pursuit of educating others. Mr. Paul has recently retired from his position as executive director of the Franklin County Career and Technology Center from which he has served since July of 1975. For four years prior to that, he also served as the school's assistant director. Upon his retirement, he has earned the distinction of being the longest-tenured executive director of a vocational school in the state of Pennsylvania.

Mr. Paul earned a very impressive record during his time as executive director. Under his leadership, 96 percent of the students from the Franklin County Career and Technology Center went on to be part of the local work force. This impressive statistic is just one of the many reasons why Mr. Paul's school has been named the best vocational-technical school in the state of Pennsylvania for a number of years. In addition to his work at the career center, Mr. Paul is also affiliated with at least 30 different community clubs and organizations. A few examples of these organizations are: Boy Scout Troop 128 Committee, Greene Township Lions Club, Pennsylvania Association of School Administrators, the Pennsylvania Vocational Association, and the Pennsylvania District Governor's Council for